UNITED NATIONS

EP

UNEP/EA.1/INF/21

Distr.: General
16 June 2014

English only

United Nations Environment Assembly of the United Nations Environment Programme

United Nations Environment Assembly of the United Nations Environment Programme
First session
Nairobi, 23–27 June 2014
Items 6 and 7 of the provisional agenda*

Follow-up to and implementation of the outcomes of United Nations summits, in particular the United Nations Conference on Sustainable Development, and major intergovernmental meetings of relevance to the United Nations Environment Assembly

Budget and programme of work for the biennium 2016–2017 and the Environment Fund and other budgetary matters

Information supplementary to the report of the Executive Director on amendments to the Instrument for the Establishment of the Restructured Global Environment Facility

Note by the secretariat

The annexes to the present note contain the following supplemental information in support of the report of the Executive Director on amendments to the Instrument for the Establishment of the Restructured Global Environment Facility (UNEP/EA.1/9): a joint summary of the Chairs of the forty-fifth Meeting of the Council of the Global Environment Facility (GEF) (see annex I); proposed amendments to the Instrument (see annexes II-IV); the Chair's summary of the Fifth GEF Assembly (see annex V); and correspondence from the Chief Executive Officer and Chair of GEF addressed to the Executive Director of the United Nations Environment Programme (see annex VI). The annexes are reproduced as submitted, without formal editing.

* UNEP/EA.1/1.

K1401280 180614

Annex I

Joint summary of the Chairs of the forty-fifth meeting of the Council of the Global Environment Facility

JOINT SUMMARY OF THE CHAIRS
45TH GEF COUNCIL MEETING
NOVEMBER 5 – 7, 2013

November 7, 2013

DECISIONS APPROVED

Decision on Agenda Item 6 Progress Report of the GEF Evaluation Office Director, including the OPS5 Progress Report and Management Response

13. The Council, having reviewed document GEF/ME/C.45/03 Rev.01, *"Progress Report of the GEF Evaluation Office Director, including the OPS5 Progress Report," and GEF/ME/C.45/08, "Management Response to the Progress Report of the GEF Evaluation Office Director, including the OPS5 Progress Report,"* takes note of the on-going work of the Office and the progress report on the Fifth Overall Performance Study of the GEF, as well as the upcoming peer review and the international trends on independence of evaluation. The Council approves the name change of the Office to GEF Independent Evaluation Office (GEFIEO).

14. The Council requests the Secretariat and the Evaluation Office to prepare a proposal for amendment of the Instrument to include the Independent Evaluation Office, to be approved by Council before the Assembly in 2014.

Decision on Agenda Item 13 Amendments to the Instrument

24. The Council requests the Secretariat to submit a draft decision by January 15, 2014, for consideration and decision by mail, on amendments to the Instrument to be recommended to the Fifth Assembly, including but not limited to the Minamata Convention on Mercury.

Annex II

Document of the Council of the Global Environment Facility on proposed amendments to the Instrument

GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/C.45/11.Rev.02
February 19, 2014

GEF Council Meeting
November 5 – 7, 2013
Washington, D.C.

Agenda Item 13

AMENDMENTS TO THE INSTRUMENT

Recommended Council Decision

The Council, having noted the adoption of the Minamata Convention on Mercury and of Resolution 2 on Financial Arrangements by the Diplomatic Conference, and having considered document GEF/C.45/11, *Amendments to the Instrument*, decided to recommend to the Assembly the following amendments to the Instrument:

To delete current paragraph 6 and replace it with a new paragraph 6 that would read:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b),

and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

To delete sub-paragraphs (e) and (f) of paragraph 2 of the Instrument and replace them with a new sub-paragraph (e) that would read:

(e) chemicals and waste.

To delete sub-paragraph (b) of Paragraph 9 and replace it with a new sub-paragraph (b) that would read:

(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

To delete paragraph 11 and replace it with a new paragraph 11 that would read:

11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.

To expand paragraph 21 to include the IEO in a new sub-paragraph (i) that would read:

21. (i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and

The current sub-paragraph (i) would become a new-subparagraph (j) that would read:

(j) perform any other functions assigned to the Secretariat by the Council.

Table of Contents

Introduction 1

Amendment to paragraph 6 of the Instrument - The GEF as Financial mechanism of the Minamata Convention on Mercury 1

Further Amendments to Paragraph 6 of the Instrument 3

Amendment to paragraph 2 of the Instrument 4

Amendment to paragraph 9 of the Instrument 5

Amendment to paragraphs 11 and 21 of the Instrument 7

INTRODUCTION

1. According to paragraph 34 of the GEF Instrument, an amendment to the Instrument "may be approved by consensus by the Assembly upon the recommendation of the Council, after taking into account the views of the Implementing Agencies and the Trustee, and shall become effective after adoption by the Implementing Agencies and the Trustee in accordance with their respective rules and procedural requirements." This document details the proposed amendments being recommended to the GEF Council for recommendation to the Fifth GEF Assembly.

Amendment to paragraph 6 of the Instrument - The GEF as Financial mechanism of the Minamata Convention on Mercury

2. At its 44th Meeting, the Council decided that," having reviewed document GEF/C.44/04, Preparing the GEF to serve as the Financial Mechanism of the Minamata Convention on Mercury upon entry into force,

Welcomed with appreciation the invitation from the Intergovernmental Negotiating Committee to Prepare a Global Legally Binding Instrument on Mercury to the GEF, to be the key element of the Financial Mechanism of the Minamata Convention on Mercury as drafted in Article 13 of the agreed text of the Convention, which will be submitted for adoption and opened for signature in Kumamoto and Minamata, Japan in October 2013.

Authorized the use of up to $10 million for the funding of an early action pre-ratification program for the Minamata Convention to be programed during the remainder of GEF-5, upon request by eligible signatory countries.

Requested the GEF Secretariat to develop initial guidelines consistent with the final resolutions of the diplomatic Conference for enabling activities and pre-ratification projects, in consultation with the interim Secretariat of the Minamata Convention, and present this as an information document at the 45th Council Meeting.

3. Article 13 of the Minamata Convention on Mercury includes the following paragraphs:

Par. 5:A Mechanism for the provision of adequate, predictable, and timely financial resources is hereby defined. The Mechanism is to support developing country Parties and Parties with economies in transition in implementing their obligations under this Convention.

Par. 6: *The Mechanism shall include:*

(a) The Global Environment Facility Trust Fund; and
(b) A specific international Programme to support capacity-building and technical assistance.

Par. 7: *The Global Environment Facility Trust Fund shall provide new, predictable, adequate and timely financial resources to meet costs in*

support of implementation of this Convention as agreed by the Conference of the Parties. For the purposes of this Convention, the Global Environment Facility Trust Fund shall be operated under the guidance of and be accountable to the Conference of the Parties. The Conference of the Parties shall provide guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources. In addition, the Conference of the Parties shall provide guidance on an indicative list of categories of activities that could receive support from the Global Environment Facility Trust Fund. The Global Environment Facility Trust Fund shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities.

Par. 8: In providing resources for an activity, the Global Environment Facility Trust Fund should take into account the potential mercury reductions of a proposed activity relative to its costs.

Par. 10: The Conference of the Parties and the entities comprising the Mechanism shall agree upon, at the first meeting of the Conference of the Parties, arrangements to give effect to the above paragraphs.

4. By way of background, the Instrument was amended in 2002 when the GEF Assembly agreed to include the Stockholm Convention on Persistent Organic Pollutants in paragraph 6 of the Instrument, and added Land Degradation and Persistent Organic Pollutants to the GEFs four original focal areas (biological diversity, climate change, international waters and ozone layer depletion)

5. In 2010, the Instrument was amended by the Assembly to add sub-paragraph (b) in paragraph 6 which states:

(b) The GEF shall be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2(b), and Article 21 of the Convention. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa.

6. As noted above, the Minamata Convention on Mercury establishes a Mechanism for the provision of financial resources. The Mechanism will be comprised of two entities, one of them being the Global Environment Facility Trust Fund. (Article 13, paragraph 6 of the Convention).

7. The Diplomatic Conference that adopted the Minamata Convention on Mercury, October 9 to 11, 2013 in Japan, also adopted a Resolution 2 on Financial Arrangements that:

Invites the Council of the GEF to give effect to the inclusion of the GEF Trust Fund as part of the financial mechanism of the Minamata Convention and to recommend to the

Assembly of the GEF, as a matter of urgency, that it makes any adjustments to the Instrument for the Establishment of the Restructured Global Environment Facility that are necessary to allow it to fulfill its role in the financial mechanism.

8. In response to this invitation and to the formal adoption of the Convention by the Diplomatic Conference, the proposed amendment to add a new sub-paragraph (e) to paragraph 6 of the GEF Instrument is as follows:

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

Further Amendments to Paragraph 6 of the Instrument

9. The preceding proposal provides the opportunity to further amend Paragraph 6 of the Instrument in order to clarify GEF responsibilities under each of the conventions it serves in an orderly fashion. Therefore, it is proposed that the existing paragraph 6 be deleted and replaced by the following new paragraph 6:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties

pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b), and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

Amendment to paragraph 2 of the Instrument

10. The GEF Instrument, in paragraph 2, separately identifies Persistent Organic Pollutants (POPs) and Ozone Depleting Substances (ODS) as two focal areas. These focal areas sufficed up to the end of GEF 4 where only POPs and ODS programs and projects were funded by the GEF.

11. In GEF 5 with the advancement of the negotiations towards a global instrument on Mercury and the emergence of chemical issues of global concern covered by the Strategic Approach to International Chemicals Management (SAICM), the GEF Council approved a GEF 5 chemicals strategy that broadened the scope of the issues covered by the POPs focal area.

12. A number of external drivers also add justification to the creation of a new focal area which better responds to the demands on the GEF in regard to chemicals and waste.

13. A consultative process on financing options for chemicals and waste was launched by the UNEP Executive Director at COP 4 of the Stockholm Convention. After the consultation, the Executive Director presented an integrated approach that was adopted by the 27th UNEP Governing Council (decision 27/12) in February 2013. The decision also invites the GEF in the context of the 6th replenishment process to revise its focal area structure and strategy in order to address the chemicals and wastes agenda, and consider ways of further strengthening its relations with the conventions it serves as a financial mechanism.

14. In September, 2012, the 3rd International Conference on Chemicals Management (ICCM 3) invited the GEF in the process of the 6th replenishment to consider the priorities and activities identified in the Strategic Approach to International Chemicals Management (SAICM) in support of the achievement of its objectives.

15. It is therefore recommended that sub-paragraph (e) and (f) of paragraph 2 of the Instrument be deleted and replaced by a new sub-paragraph (e) that would read:

(e) chemicals and waste.

16. As a result, the new list of focal areas in paragraph 2 would read as follows:

(a) biological diversity;

(b) climate change;

(c) international waters;

(d) land degradation, primarily desertification and deforestation; and

(e) chemicals and waste.

Amendment to paragraph 9 of the Instrument

17. Paragraph 9 (b) of the Instrument refers to Eligibility and reads as follows:

(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to borrow from the World Bank (IBRD and/or IDA) or if it is an eligible recipient of UNDP technical assistance through its country Indicative Planning Figure (IPF). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

18. When referring to a country being an eligible recipient of UNDP technical assistance, the Instrument refers to the "country Indicative Planning Figure (IPF)". In its decision 95/23[1] on the 1997-1999 successor programming arrangements, the Executive Board of UNDP introduced "a new, more flexible three-tier target for resource assignments from the core [TRAC] scheme for the allocation of resources to the country level, which replaced the IPF scheme.

19. UNDP regular resource allocations for country-level program activities are made within the framework of targets for resource assignments from the core (known as 'TRACs'). The TRAC is a three-tiered system in which TRAC-1 and TRAC-2 resources are linked in a combined pool, while TRAC-3 resources are made available through a separate pool. TRAC allocations form the financial foundation for the UNDP programmatic presence on the ground. 'TRAC-1' refers to the annual level of regular program resources targeted to be available for an individual program country during the programming period. They are allocated centrally, according to TRAC-1 eligibility and other criteria approved by the Executive Board. TRAC-2 was designed to provide the Administrator with the flexibility to allocate regular program resources to high-impact, high-leverage and high-quality program activities and to help UNDP to respond effectively to differentiated country needs (decision 2013/4). From a substantive perspective, TRAC-2 resources are considered fully fungible with TRAC-1 resources. They are allocated, on non-formula-based criteria, in line with regional TRAC-1 allocations. TRAC-3 was established to provide UNDP with the capacity to respond quickly and flexibly to the development needs of countries affected by conflicts and natural disasters.

20. In addition, when referring to country eligibility based on a country's World Bank engagement, the Instrument refers to a country that can "borrow from the World Bank (IBRD and/or IDA)". The World Bank (IDA) introduced grants for a select group of low income countries during the IDA-12 replenishment period (2000-2002).

21. Since a portion of the current text of sub-paragraph (b) of paragraph 9 requires updating as explained above, it is proposed that the Council recommend to the Assembly that sub-paragraph (b) of paragraph 9 be deleted and replaced by a new sub-paragraph (b) that would read as follows:

> *(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the*

[1] See document at http://web.undp.org/execbrd/pdf/dp1996-1.pdf.

financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

Amendment to paragraphs 11 and 21 of the Instrument

22. The Council, meeting in November 2013, decided to change the name of the Evaluation Office to Independent Evaluation Office. As part of that decision, the Council further requested "the Secretariat and the Evaluation Office to prepare a proposal for amendment of the Instrument to include the Independent Evaluation Office, to be approved by Council before the Assembly in 2014". It is proposed that the Council recommend to the Assembly to delete paragraph 11 and replace it with a new paragraph 11 that would read:

11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.

23. It is also proposed that the Council recommend to the Assembly to expand paragraph 21 to include a new sub-paragraph 21 (i) that would read:

(i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and

24. The current sub-paragraph (i) would now be a new sub-paragraph (j) that would read:

(j) perform any other functions assigned to the Secretariat by the Council.

Annex III

E-mail from the secretariat of the Global Environment Facility relating to proposed amendments to the Instrument

GEF secretariat confirmation by e-mail to the GEF Council regarding GEF Council decision to recommend to the GEF Assembly amendments to the Instrument

From: Secretariat Gef/Service/World Bank
To: Secretariat Gef/Service/World Bank@WorldBank
Date: 02/19/2014 04:57 PM
Subject: Amendments to the Instrument - Final Text
Sent by: John I. Clyde

Dear Council Members:

This is to follow-up the message dated January 24st, 2014 in which you were asked to consider a decision by mail on Amendments to the Instrument to be recommended to the Fifth Assembly, including but not limited to the Minamata Convention.

Below you will find the final text that takes into account the comments received.

(See attached file: GEF.C.45.11.Rev.02 Amendments to the Instrument.pdf)

Best regards,

GEF Secretariat

Annex IV

Document of the Assembly of the Global Environment Facility on proposed amendments to the Instrument

GEF/A.5/09
April 16, 2014

Fifth GEF Assembly
May 28 – 29, 2014
Cancun, Mexico

Agenda Item 5

AMENDMENTS TO THE INSTRUMENT

Decision of the Assembly

The Fifth GEF Assembly,

Recalling paragraph 34 of the *Instrument for the Establishment of the Restructured Global Environment Facility*,

Having considered the recommendations of the GEF Council for proposed amendments to the Instrument,

1. Approves by consensus the following amendments to the Instrument:

To delete current paragraph 6 and replace it with a new paragraph 6 that would read:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such

respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b), and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

To delete sub-paragraphs (e) and (f) of paragraph 2 of the Instrument and replace them with a new sub-paragraph (e) that would read:

(e) chemicals and waste.

To delete sub-paragraph (b) of Paragraph 9 and replace it with a new sub-paragraph (b) that would read:

(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

To delete paragraph 11 and replace it with a new paragraph 11 that would read:

11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.

To expand paragraph 21 to include the IEO in a new sub-paragraph (i) that would read:

21. (i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and

The current sub-paragraph (i) would become a new-subparagraph (j) that would read:

(j) perform any other functions assigned to the Secretariat by the Council.

2. Invites the CEO/Chairperson of the Facility to submit this amendment to the Implementing Agencies and the Trustee and to request that they adopt the amendments in accordance with their respective rules and procedural requirements.

3. Invites the CEO/Chairperson of the Facility to inform all Participants of the effectiveness of the amendments once the Implementing Agencies and the Trustee have approved it.

TABLE OF CONTENTS

Introduction 6

GEF Council Recommendation to the GEF Assembly regarding Proposed Amendments to the GEF Instrument 6

Amendment to paragraph 6 of the Instrument - The GEF as Financial mechanism of the Minamata Convention on Mercury 6

Further Amendments to Paragraph 6 of the Instrument 9

Amendment to paragraph 2 of the Instrument 10

Amendment to paragraph 9 of the Instrument 11

Amendment to paragraphs 11 and 21 of the Instrument 13

INTRODUCTION

1. According to paragraph 34 of the GEF Instrument, an amendment to the Instrument "may be approved by consensus by the Assembly upon the recommendation of the Council, after taking into account the views of the Implementing Agencies and the Trustee, and shall become effective after adoption by the Implementing Agencies and the Trustee in accordance with their respective rules and procedural requirements." This document explains the proposed amendments being recommended to the fifth GEF Assembly by the GEF Council.

GEF COUNCIL RECOMMENDATION TO THE GEF ASSEMBLY REGARDING PROPOSED AMENDMENTS TO THE GEF INSTRUMENT

2. In November 2013, at its 45th Meeting, the GEF Council, having considered document GEF/C.45/11, *Amendments to the Instrument*, requested the Secretariat to submit a new draft decision by mid-January 2014, for consideration and decision by mail, on amendments to the Instrument to be recommended to the fifth GEF Assembly, including but not limited to the Minamata Convention on Mercury.

3. After taking into account the views of the Implementing Agencies and Trustee, the GEF Secretariat submitted on 24 January 2014, a draft decision for approval by mail to the GEF Council, recalling that such decision would be approved unless the Secretariat received an objection from a Council Member.

4. Some Council Members made minor comments and suggestions to the draft, which were taken into consideration in the revised text.

5. Based on the comments and suggestions received, the GEF Secretariat circulated on 19 February 2014 the final version of the Council decision (GEF/C.45/11/Rev.02) recommending that the Assembly adopt the amendments to the Instrument.

6. The following paragraphs are from the Council document GEF/C.45/11/Rev.02.

AMENDMENT TO PARAGRAPH 6 OF THE INSTRUMENT - THE GEF AS FINANCIAL MECHANISM OF THE MINAMATA CONVENTION ON MERCURY

7. At its 44th Meeting, the Council decided that, having reviewed document GEF/C.44/04, *Preparing the GEF to serve as the Financial Mechanism of the Minamata Convention on Mercury upon entry into force,*

> *Welcomed with appreciation the invitation from the Intergovernmental Negotiating Committee to Prepare a Global Legally Binding Instrument on Mercury to the GEF, to be the key element of the Financial Mechanism of the Minamata Convention on Mercury as drafted in Article 13 of the agreed text of the Convention, which will be submitted for*

adoption and opened for signature in Kumamoto and Minamata, Japan in October 2013.

Authorized the use of up to $10 million for the funding of an early action pre-ratification program for the Minamata Convention to be programed during the remainder of GEF-5, upon request by eligible signatory countries.

Requested the GEF Secretariat to develop initial guidelines consistent with the final resolutions of the diplomatic Conference for enabling activities and pre-ratification projects, in consultation with the interim Secretariat of the Minamata Convention, and present this as an information document at the 45th Council Meeting.

8. **Article 13 of the Minamata Convention on Mercury includes the following paragraphs:**

Par. 5:A Mechanism for the provision of adequate, predictable, and timely financial resources is hereby defined. The Mechanism is to support developing country Parties and Parties with economies in transition in implementing their obligations under this Convention.

Par. 6: The Mechanism shall include:
(a) The Global Environment Facility Trust Fund; and
(b) A specific international Programme to support capacity-building and technical assistance.

Par. 7: The Global Environment Facility Trust Fund shall provide new, predictable, adequate and timely financial resources to meet costs in support of implementation of this Convention as agreed by the Conference of the Parties. For the purposes of this Convention, the Global Environment Facility Trust Fund shall be operated under the guidance of and be accountable to the Conference of the Parties. The Conference of the Parties shall provide guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources. In addition, the Conference of the Parties shall provide guidance on an indicative list of categories of activities that could receive support from the Global Environment Facility Trust Fund. The Global Environment Facility Trust Fund shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities.

Par. 8: In providing resources for an activity, the Global Environment Facility Trust Fund should take into account the potential mercury reductions of a proposed activity relative to its costs.

Par. 10: The Conference of the Parties and the entities comprising the Mechanism shall agree upon, at the first meeting of the Conference of the Parties, arrangements to give effect to the above paragraphs.

9. By way of background, the Instrument was amended in 2002 when the GEF Assembly agreed to include the Stockholm Convention on Persistent Organic Pollutants in paragraph 6 of the Instrument, and added Land Degradation and Persistent Organic Pollutants to the GEFs four original focal areas (biological diversity, climate change, international waters and ozone layer depletion)

10. In 2010, the Instrument was amended by the Assembly to add sub-paragraph (b) in paragraph 6 which states:

(b) The GEF shall be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2(b), and Article 21 of the Convention. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa.

11. As noted above, the Minamata Convention on Mercury establishes a Mechanism for the provision of financial resources. The Mechanism will be comprised of two entities, one of them being the Global Environment Facility Trust Fund. (Article 13, paragraph 6 of the Convention).

12. The Diplomatic Conference that adopted the Minamata Convention on Mercury, October 9 to 11, 2013 in Japan, also adopted a Resolution 2 on Financial Arrangements that:

Invites the Council of the GEF to give effect to the inclusion of the GEF Trust Fund as part of the financial mechanism of the Minamata Convention and to recommend to the Assembly of the GEF, as a matter of urgency, that it makes any adjustments to the Instrument for the Establishment of the Restructured Global Environment Facility that are necessary to allow it to fulfill its role in the financial mechanism.

13. In response to this invitation and to the formal adoption of the Convention by the Diplomatic Conference, the proposed amendment to add a new sub-paragraph (e) to paragraph 6 of the GEF Instrument is as follows:

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies,

program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

FURTHER AMENDMENTS TO PARAGRAPH 6 OF THE INSTRUMENT

14. The preceding proposal provides the opportunity to further amend Paragraph 6 of the Instrument in order to clarify GEF responsibilities under each of the conventions it serves in an orderly fashion. Therefore, it is proposed that the existing paragraph 6 be deleted and replaced by the following new paragraph 6:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such

respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b), and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

AMENDMENT TO PARAGRAPH 2 OF THE INSTRUMENT

15. The GEF Instrument, in paragraph 2, separately identifies Persistent Organic Pollutants (POPs) and Ozone Depleting Substances (ODS) as two focal areas. These focal areas sufficed up to the end of GEF 4 where only POPs and ODS programs and projects were funded by the GEF.

16. In GEF 5 with the advancement of the negotiations towards a global instrument on Mercury and the emergence of chemical issues of global concern covered by the Strategic Approach to International Chemicals Management (SAICM), the GEF Council approved a GEF 5 chemicals strategy that broadened the scope of the issues covered by the POPs focal area.

17. A number of external drivers also add justification to the creation of a new focal area which better responds to the demands on the GEF in regard to chemicals and waste.

18. A consultative process on financing options for chemicals and waste was launched by the UNEP Executive Director at COP 4 of the Stockholm Convention. After the consultation, the Executive Director presented an integrated approach that was adopted by the 27th UNEP Governing Council (decision 27/12) in February 2013. The decision also invites the GEF in the context of the 6th replenishment process to revise its focal area structure and strategy in order to

address the chemicals and wastes agenda, and consider ways of further strengthening its relations with the conventions it serves as a financial mechanism.

19. In September, 2012, the 3rd International Conference on Chemicals Management (ICCM 3) invited the GEF in the process of the 6th replenishment to consider the priorities and activities identified in the Strategic Approach to International Chemicals Management (SAICM) in support of the achievement of its objectives.

20. It is therefore recommended that sub-paragraph (e) and (f) of paragraph 2 of the Instrument be deleted and replaced by a new sub-paragraph (e) that would read:

(e) chemicals and waste.

21. As a result, the new list of focal areas in paragraph 2 would read as follows:

(a) biological diversity;

(b) climate change;

(c) international waters;

(d) land degradation, primarily desertification and deforestation; and

(e) chemicals and waste.

AMENDMENT TO PARAGRAPH 9 OF THE INSTRUMENT

22. Paragraph 9 (b) of the Instrument refers to Eligibility and reads as follows:
(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to borrow from the World Bank (IBRD and/or IDA) or if it is an eligible recipient of UNDP technical assistance through its country Indicative Planning Figure (IPF). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

23. When referring to a country being an eligible recipient of UNDP technical assistance, the Instrument refers to the "country Indicative Planning Figure (IPF)". In its decision 95/23[1] on the 1997-1999 successor programming arrangements, the Executive Board of UNDP

[1] See document at http://web.undp.org/execbrd/pdf/dp1996-1.pdf.

introduced "a new, more flexible three-tier target for resource assignments from the core [TRAC] scheme for the allocation of resources to the country level, which replaced the IPF scheme.

24. UNDP regular resource allocations for country-level program activities are made within the framework of targets for resource assignments from the core (known as 'TRACs'). The TRAC is a three-tiered system in which TRAC-1 and TRAC-2 resources are linked in a combined pool, while TRAC-3 resources are made available through a separate pool. TRAC allocations form the financial foundation for the UNDP programmatic presence on the ground. 'TRAC-1' refers to the annual level of regular program resources targeted to be available for an individual program country during the programming period. They are allocated centrally, according to TRAC-1 eligibility and other criteria approved by the Executive Board. TRAC-2 was designed to provide the Administrator with the flexibility to allocate regular program resources to high-impact, high-leverage and high-quality program activities and to help UNDP to respond effectively to differentiated country needs (decision 2013/4). From a substantive perspective, TRAC-2 resources are considered fully fungible with TRAC-1 resources. They are allocated, on non-formula-based criteria, in line with regional TRAC-1 allocations. TRAC-3 was established to provide UNDP with the capacity to respond quickly and flexibly to the development needs of countries affected by conflicts and natural disasters.

25. In addition, when referring to country eligibility based on a country's World Bank engagement, the Instrument refers to a country that can "borrow from the World Bank (IBRD and/or IDA)". The World Bank (IDA) introduced grants for a select group of low income countries during the IDA-12 replenishment period (2000-2002).

26. Since a portion of the current text of sub-paragraph (b) of paragraph 9 requires updating as explained above, it is proposed that the Council recommend to the Assembly that sub-paragraph (b) of paragraph 9 be deleted and replaced by a new sub-paragraph (b) that would read as follows:

> *(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.*

AMENDMENT TO PARAGRAPHS 11 AND 21 OF THE INSTRUMENT

27. The Council, meeting in November 2013, decided to change the name of the Evaluation Office to Independent Evaluation Office. As part of that decision, the Council further requested "the Secretariat and the Evaluation Office to prepare a proposal for amendment of the Instrument to include the Independent Evaluation Office, to be approved by Council before the Assembly in 2014". It is proposed that the Council recommend to the Assembly to delete paragraph 11 and replace it with a new paragraph 11 that would read:

> *11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.*

28. It is also proposed that the Council recommend to the Assembly to expand paragraph 21 to include a new sub-paragraph 21 (i) that would read:

> *(i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and*

29. The current sub-paragraph (i) would now be a new sub-paragraph (j) that would read:

> *(j) perform any other functions assigned to the Secretariat by the Council.*

Annex V

Chair's summary of the Fifth Assembly of the Global Environment Facility

May 29, 2014

Chair's Summary of the Fifth GEF Assembly
Cancun, Mexico
May 28-29, 2014

Agenda Item 1. *Opening Ceremony*

1. The meeting was called to order and opening statements were heard from Mr. Fernando Aportela Rodriguez, Undersecretary of Finance and Public Credit of Mexico, H.E. Mr. Juan Jose Guerra Abud, Secretary of Environment and Natural Resources of Mexico, and GEF CEO and Chairperson, Naoko Ishii.

2. A video capturing highlights of two decades of work of the GEF partnership in Mexico was presented.

Agenda Item 2. *Election of the Chair*

3. The Assembly elected H.E. Mr. Juan Jose Guerra Abud, Secretary of Environment and Natural Resources of Mexico, as its Chair.

Agenda Item 3. *Election of the Vice-Chairs*

4. The Assembly elected Dr. Bruno Oberle, Secretary of State and Director of the Swiss Federal Office of the Environment, Switzerland, and H.E. Ms. Judi Wakhungu, Minister of Water and Environment of Kenya, as its Vice-Chairs.

Agenda Item 4. *Adoption of the Agenda and Organization of Work*

5. The Assembly approved the provisional agenda circulated as document GEF/A.5/01. The Assembly approved the organization of work proposed in the Provisional Annotated Agenda, GEF/A.5/02.

Agenda Item 5. *Amendments to the Instrument*

6. Pursuant to paragraph 34 of the *Instrument for the Establishment of the Restructured Global Environment Facility*, amendments to the Instrument were approved by consensus by the Assembly upon the recommendation of the Council, after taking into account the views of the

Implementing Agencies and the Trustee, and shall become effective after adoption by the Implementing Agencies and the Trustee in accordance with their respective rules and procedural requirements.

7. The amendments were submitted to the Assembly, upon recommendation of the Council, in document GEF/A.5/09, *Amendments to the Instrument*. The amendments were approved by the Assembly, and the text can be found in Appendix 1 to this Summary.

Agenda Item 6. *Report on the GEF Trust Fund*

8. The Assembly took note of the Trustee Report, *GEF-5 Funding Retrospective* (GEF/A.5/06).

Agenda Item 7. *Presentation on GEF2020*

9. The CEO and Chairperson of the GEF addressed the plenary with regard to the *Strategy for the GEF – GEF2020* (GEF/A.5/10). Naoko Ishii remarked that the Strategy was welcomed by the 46th GEF Council. The Assembly welcomed of the *Strategy for the GEF – GEF2020.*

Agenda Item 8. *Report on the Sixth Replenishment of the GEF Trust Fund*

10. The Assembly took note of the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (GEF/A.5/07).

Agenda Item 9. *Statement by the GEF Scientific and Technical Advisory Panel (STAP)*

11. The Assembly welcomed the Report of the Scientific and Technical Advisory Panel on the work it carried out during GEF-5, contained in document GEF/A.5/03.

Agenda Item 10. *Statement by the GEF Evaluation Office*

12. The Assembly welcomed the document *Fifth Overall Performance Study of the GEF (OPS5)* (GEF/A.5/04) and noted the findings and recommendations of OPS5 and other evaluation reports prepared during GEF-5.

Agenda Item 11. *Report on GEF Membership*

13. The Assembly took note of the *Report on GEF Membership* (GEF/A.5/05).

Agenda Item 12. *Report on Credentials*

14. The Bureau presented its report on credentials to the plenary.

Agenda Item 13. *High-Level Round Tables*

15. The round table sessions focused on key elements of the GEF 2020 vision and GEF6 strategies and programs. Seven key themes were addressed in the Assembly through the round

tables: Financing Green Growth; Natural Capital; Role of Legislation in Accelerating and Scaling Up Change at the National Scale; Sustainable and Resilient Cities; Water, Food and Energy Nexus; Sustainable Commodities, and; Multilateral Environmental Agreements and the Post-2015 Framework: A Forward-Looking Agenda.

16. Round tables were composed of speakers from different sectors including government, international organizations, and private sector. Attendance was open to Ministers and other Heads of Delegation, as well as to Assembly invitees.

Round Table 1.1 *Financing Green Growth*

Host: Mr. Fernando Aportela Rodriguez – Undersecretary of Finance and Public Credit, Mexico.

Panelists:
- Mr. LI Yong – Director-General, United Nations Industrial Development Organization
- Mr. Peter Seligmann – CEO, Conservation International
- Mr. Daniel Servitje – CEO and Chairman, Bimbo Group Mexico
- Mr. Mohale Rakgate – General Manager, Development Bank of Southern Africa

Moderator: Mr. Joachim von Amsberg – Vice-President, Development Finance, World Bank

Round Table 1.2 *Natural Capital*

Host: Mr. Fernando Aportela Rodriguez – Undersecretary of Finance and Public Credit, Mexico

Panelists:
- Mr. Braulio Ferreira de Souza Dias – Executive Secretary, Convention on Biological Diversity
- Mr. Carlos Roxo – Director, Sustainability and Corporate Relations, Fibria
- Mr. Jose Sarukhan Kermez – CONABIO, Mexico
- Mr. Eduardo Sojo – President, National Institute of Statistics and Geography, Mexico
- Mr. Tshekedi Khama – Minister of Environment, Wildlife, and Tourism, Botswana

Moderator: Dr. Rosina Bierbaum – Chair, GEF Scientific and Technical Advisory Panel

Round Table 2.1 *Role of Legislation in Accelerating and Scaling Up Change at the National Scale*

Round Table Lead Host: H.E. Mr. Juan Jose Guerra Abud – Secretary of Environment and Natural Resources, Mexico

Panelists:
- Mr. Graham Stuart – MP, United Kingdom
- Mr. James Lembeli – MP, Tanzania
- Ms. Lourdes Adriana Lopez Moreno – Congresswoman, Mexico
- Dr. Antonio Azuela de la Cueva – Social Research Institute, UNAM
- Mr. Ibrahim Thiaw – Deputy Executive Director, United Nations Environment Programme

Moderator: Mr. David Barron – Chairman, International Conservation Caucus Foundation (ICCF)

Round Table 2.2 *Sustainable and Resilient Cities*

Host: H.E. Mr. Juan Jose Guerra Abud – Secretary of Environment and Natural Resources, Mexico

Panelists:
- Mr. Gino van Begin – Secretary General, ICLEI
- Ms. Maimunah Mohd Sharif – Mayor of Seberang Perai, Malaysia
- Mr. Bernardo Baranda Sepulveda – Regional Director for Latin America, Institute for Transportation and Development Policy
- Mr. Boris Graizbord – Coordinator, LEAD Mexico, Colegio de Mexico

Moderator: Mr. Ede Ijjasz-Vasquez – Director of Sustainable Development, World Bank

Round Table 3.1 *Water, Food and Energy Nexus*

Host: Mr. Leonardo Beltran Rodriguez – Deputy Secretary for Planning and Energy Transition, Secretariat of Energy, Mexico

Panelists:
- Mr. Dan Glickman – Executive Director, Aspen Institute Congressional Program (Former US Secretary of Agriculture)
- Ms. Monique Barbut – Executive Secretary, UN Convention to Combat Desertification

- Mr. Shenggen Fan – Director General, International Food Policy Research Institute
- Ms. Sara Scherr – President, EcoAgriculture Partners

Moderator: Mr. Andrew Steer – President and CEO, World Resources Institute

Round Table 3.2 *Sustainable Commodities*

Host: Mr. Leonardo Beltran Rodriguez – Deputy Secretary of Energy, Mexico

Panelists:
- Mr. Carter Roberts – President and CEO, World Wildlife Fund
- Ms. Ana Paula Tavares – Executive Vice President, Rainforest Alliance
- Ms. Susan Jackson – President, International Seafood Sustainability Foundation
- Mr. Agustin Mascotena – Executive Director, Round Table for Responsible Soy Association
- Mr. Darrel Webber – Secretary General, Round Table on Sustainable Palm Oil

Moderator: Mr. Andrew Steer – President and CEO, World Resources Institute

Round Table 4 *Multilateral Environmental Agreements and the Post-2015 Framework: A Forward-Looking Agenda*

Host: H.E. Mr. Jose Antonio Meade Kuribrena – Minister of Foreign Affairs, Mexico

Panelists:
- Ms. Amina Mohammed – Special Adviser on Post-2015 Development Planning, United Nations
- Mr. Ibrahim Thiaw – Deputy Executive Director, UNEP and Assistant Secretary General, United Nations
- Dr. Rajendra Pachauri – Chairman, IPCC and Director-General, TERI (The Energy and Resources Institute)
- Dr. Jeffrey Sachs – Director, The Earth Institute at Columbia University and Director, Sustainable Development Solutions Network
- Dr. William Moomaw – Professor of International Environmental Policy, Fletcher School, Tufts University

Moderator: Homi Kharas – Deputy Director for Global Economy and Development, Brookings Institution

Agenda Item 14. *Statements by the Heads of the GEF Agencies*

17. The Assembly heard a statement by Li Yong, Director-General of the United Nations Industrial Development Organization, and a video message by Dr. Jim Yong Kim, President of the World Bank.

Agenda Item 15. *Statements by the Representatives of the Conventions*

18. The Assembly heard statements by Mr. Braulio Ferreira de Souza Dias, Executive Secretary of the Convention on Biological Diversity, and Ms. Fatoumata Kieta-Ouane, Executive Secretary of the Interim Secretariat for the Minamata Convention on Mercury.

Agenda Item 16. *Statements on Behalf of Constituencies*

19. The Assembly heard statements from representatives of the GEF Constituencies as well as from some other Participants.

Agenda Item 17. *Statement by a Representative of the Civil Society Organizations*

20. The Assembly heard a statement by a representative of the GEF Civil Society Organizations Network (GEF CSO Network) on behalf of the CSO community.

Agenda item 18. *Summary of the High-Level Round Table Discussions*

21. The GEF CEO, Naoko Ishii, and Prof. Jeffrey Sachs, Head of the Earth Institute at Columbia University, exchanged views on some of the main topics discussed during the Round Tables.

Agenda Item 19. *Presentation of the Chair's Summary*

22. In accordance with paragraph 24 of the Rules of Procedure, the Assembly approved the Summary of the Proceedings submitted by the Chair.

Agenda Item 20. *Closing of the Assembly*

23. The Chair of the Assembly presented a document highlighting the overall message of the Assembly.

24. The CEO and Chairperson of the Facility and the Chair of the Assembly made closing remarks to the Assembly.

Appendix 1: Decision of the Assembly

The Fifth GEF Assembly,

Recalling paragraph 34 of the *Instrument for the Establishment of the Restructured Global Environment Facility,*

Having considered the recommendations of the GEF Council for proposed amendments to the Instrument,

1. Approves by consensus the following amendments to the Instrument:

To delete current paragraph 6 and replace it with a new paragraph 6 that would read:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b), and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

To delete sub-paragraphs (e) and (f) of paragraph 2 of the Instrument and replace them with a new sub-paragraph (e) that would read:

(e) chemicals and waste.

To delete sub-paragraph (b) of Paragraph 9 and replace it with a new sub-paragraph (b) that would read:

(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for

activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall only be made available to eligible recipient countries that are party to the convention concerned.

To delete paragraph 11 and replace it with a new paragraph 11 that would read:

11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.

To expand paragraph 21 to include the IEO in a new sub-paragraph (i) that would read:

21. (i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and

The current sub-paragraph (i) would become a new-subparagraph (j) that would read:

(j) perform any other functions assigned to the Secretariat by the Council.

2. Invites the CEO/Chairperson of the Facility to submit this amendment to the Implementing Agencies and the Trustee and to request that they adopt the amendments in accordance with their respective rules and procedural requirements.

3. Invites the CEO/Chairperson of the Facility to inform all Participants of the effectiveness of the amendments once the Implementing Agencies and the Trustee have approved it."

Annex VI

Correspondence from the Chief Executive Officer and Chair of the Global Environment Facility addressed to the Executive Director of the United Nations Environment Programme

GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

NAOKO ISHII
Chief Executive Officer and Chairperson

1818 H Street, NW
Washington, DC 20433 USA
Tel: 202.473.3202
Fax: 202.522.3240/3245
E-mail: nishii@TheGEF.org

June 02, 2014

Mr. Achim Steiner
Executive Director
United Nations Environment Programme (UNEP)
Nairobi, Kenya

Dear Mr. Steiner,

It gives me great pleasure to inform you that the Fifth GEF Assembly held in Cancun, Mexico, May 28-29, 2014, approved by consensus, upon the recommendation of the Council, a few amendments to the *Instrument for the Establishment of the Restructured GEF*.

The amendments to the Instrument address five matters:

(a) Confirmation that the GEF shall operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources;

(b) Reorganization of paragraph 6, in order to separate the GEF role for each Convention it serves;

(c) Replacement of the focal areas of ozone layer depletion and of persistent organic pollutants by the focal area of chemicals and waste;

(d) Update of the eligibility criteria of countries to receive GEF funding, to reflect changes in UNDP's target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2); and the World Bank's provision of grants to less developed countries; and

(e) Inclusion of references to the Independent Evaluation Office.

The approved text of the amendments is set forth in the Decision of the Fifth GEF Assembly attached to this letter.

As requested in the Assembly's decision, I am submitting these amendments to UNEP in its capacity as a GEF Implementing Agency to facilitate the adoption of the amendments in accordance with your respective rules and procedural requirements.

I would appreciate it if you would keep us informed of the progress made in adopting these amendments so that we can confirm the effectiveness of the amendments and inform the Council and all Participants accordingly.

I would also like to inform you that I have transmitted the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (document GEF/C.46/07/Rev.01) to the World Bank with a request that the World Bank Executive Directors be invited to adopt Annex C to this Summary, *Draft World Bank Resolution No. ____, The Global Environment Facility Trust Fund: Sixth Replenishment of Resources*, thereby authorizing the World Bank, as Trustee of the GEF Trust Fund, to manage the resources made available under GEF-6.

The policy recommendations associated with the replenishment will be addressed by the GEF Council as part of its ongoing work.

I would like to express my highest appreciation to you and your colleagues for the significant contribution that you made to the successful conclusion of the Fifth GEF Assembly. I look forward to working with you in implementing the recommendations and decisions of the Assembly and the replenishment process.

Sincerely,

Naoko Ishii
CEO and Chairperson

c.c.: Council Members and Alternates

Decision of the Assembly

The Fifth GEF Assembly,
Recalling paragraph 34 of the *Instrument for the Establishment of the Restructured Global Environment Facility,*

Having considered the recommendations of the GEF Council for proposed amendments to the Instrument,

1. Approves by consensus the following amendments to the Instrument:

To delete current paragraph 6 and replace it with a new paragraph 6 that would read:

6. In partial fulfillment of its purposes, the GEF shall:

(a) Operate the financial mechanism for the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), on an interim basis, in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall also be available to meet the agreed full costs of activities described in Article 12, paragraph 1, of the UNFCCC. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the UNFCCC if it is requested to do so by the Conference of the Parties pursuant to its Article 11, paragraph 4. In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria related to the UNFCCC pursuant to its Article 11, paragraph 1;

(b) Be, on an interim basis, the institutional structure which carries out the operation of the financial mechanism for the implementation of the Convention on Biological Diversity (CBD), in accordance with such cooperative arrangements or agreements as may be made pursuant to paragraphs 27 and 31 of this Instrument. The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1;

(c) Be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, strategy, program priorities and eligibility criteria for the purposes of this Convention pursuant to its Article 13, paragraph 7(a);

(d) Be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to Article 20, paragraph 2 (b), and Article 21 of the UNCCD. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly Africa; and

(e) Operate as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, pursuant to its Article 13, paragraphs 5, 6 and 8. In such respects, the GEF shall operate under the guidance of, and be accountable to the Conference of the Parties, which shall provide guidance on overall strategies, policies, program priorities and eligibility for access to and utilization of financial resources. In addition, the GEF shall receive guidance from the Conference of the Parties on an indicative list of categories of activities that could receive support; and shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities, pursuant to Article 13, paragraph 7, of the Minamata Convention on Mercury.

To delete sub-paragraphs (e) and (f) of paragraph 2 of the Instrument and replace them with a new sub-paragraph (e) that would read:

(e) chemicals and waste.

To delete sub-paragraph (b) of Paragraph 9 and replace it with a new sub-paragraph (b) that would read:

(b) All other GEF grants shall be made available to eligible recipient countries and, where appropriate, for other activities promoting the purposes of the Facility in accordance with this paragraph and any additional eligibility criteria determined by the Council. A country shall be an eligible recipient of GEF grants if it is eligible to receive World Bank (IBRD and/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2). GEF grants for activities within a focal area addressed by a convention referred to in paragraph 6 but outside the framework of the financial mechanism of the convention, shall

only be made available to eligible recipient countries that are party to the convention concerned.

To delete paragraph 11 and replace it with a new paragraph 11 that would read:

11. The GEF shall have an Assembly, a Council, and a Secretariat including an independent evaluation office. In accordance with paragraph 24, a Scientific and Technical Advisory Panel (STAP) shall provide appropriate advice.

To expand paragraph 21 to include the IEO in a new sub-paragraph (i) that would read:

21. (i) there shall be an independent evaluation office headed by a director, appointed by and reporting to the Council, whose responsibility it is to carry out independent evaluations consistent with decisions of the Council; and

The current sub-paragraph (i) would become a new-subparagraph (j) that would read:

(j) perform any other functions assigned to the Secretariat by the Council.

2. Invites the CEO/Chairperson of the Facility to submit this amendment to the Implementing Agencies and the Trustee and to request that they adopt the amendments in accordance with their respective rules and procedural requirements.

3. Invites the CEO/Chairperson of the Facility to inform all Participants of the effectiveness of the amendments once the Implementing Agencies and the Trustee have approved it.